

Sale Fund Plan Narrative

Pernot Thin Sale

The Pernot Thin Sale removes second growth thinning material with a component of yarding of tops. The Forest has directed the collection of SSF dollars on a portion of the sale considered "salvage". This material includes non-saw timber subject to agreement and yarding of tops (as per email on 5/31/07 from Jeff Trejo, Forest Products Program Manager). In talking to a neighboring district, we agreed on a 7% collection on the programmed thinning sales for consistency. A 7% collection was calculated for this sale.

All work identified in the SSF Plan is included with the sale NEPA documentation on file at the Middle Fork Ranger District office. The Plan unit rates incorporate the following composite overhead rate as established nationally of 74.50%.

The costs also include an estimate of inflation for the period between the time this Plan was prepared and the time when work is accomplished. An annual inflation rate of 4% was used.

Cost Calculations and Assumptions

The average salvage sale program costs in FY 2007 for the Forest formed the basis for using the following unit costs:

	\$/CCF
Salvage Sale Preparation	\$26.00
Salvage Sale Administration	10.00
Engineering Planning & Design	11.00
Other Resource Support	11.00
Law Enforcement	2.00
Indirect Costs	22.00

* These costs are averages and may not be specific to each unit's needs or program.

To help attain the Regional SSF objectives, the Forest directed the application of a salvage sale surcharge. This will be dependent on Region/Forest needs, as prescribed, by Fiscal Year and may be sale specific. This will be shown under: 11D Surcharge. Otherwise: #11. Permissible Excess Collections will cover this excess collection.

The Appraisal Summary (2400-17) indicates an advertised rate of **\$7.29** per Ton. The total sale value before auction is **\$304,466.85**.

There is no essential KV for this project and the non-essential KV total is \$274,586 (full KV could not be input into FACTS and will be adjusted later). The total SSF plan is \$486,667. Together these plans equal \$761, 253. The total sale value will not cover \$183,204 of the plans.

The above information was presented to the District Ranger and the decision was to fund KV for \$199,997 and SSF plan was funded at \$103,466, both based on the advertised rates.

After the auction occurs and if the sale is bid at a higher total value, the information will again be taken to the District Ranger to decide on the distribution of the additional funds to each of the plans.